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Borough Court

Grammar School Lane

Halesowen

West Midlands

B63 3SW

Service Charge Expenditure Report

1 January 2025 to
31st December 2025

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JOHNSON FELLOWS

Introduction

This report has been produced by Johnson Fellows on behalf of the Landlord, PR Trinity Investments Ltd. It is intended to provide details of the expenditure incurred for the service charge period 1st January 2025 to 31st December 2025.

Enclosed within this report is a copy of the Service Charge Variance Schedule and Service Charge Apportionment Schedule.

The service charge is administered having regard to Service Charges in Commercial Property; RICS Code of Practice.

The Property

The property is located on Grammar School Lane, which adjoins Old Hawne Lane. The property is a short distance from the A458 Stourbridge Road and the main Halesowen town centre.

Borough Court is a courtyard style development providing a mixture of single and two storey buildings of varying ages. There are a variety of uses including offices, light industrial and a gymnasium. In addition to the courtyard buildings, there is an adjacent plot of land used for display purposes.

The communal areas of the estate include the car park and rear walkways. Under the terms of the individual leases, the maintenance of the roof and building structure is also provided for under the service charge provisions.

Voids and Concessions

Where any void units exist, the responsibility for the service charge rests with the Landlord.

VAT

The property is elected for VAT, consequently the expenditure stated within this report is net of VAT.

Banking

Due to the general level of service charge funds, they are not maintained within a discrete bank account. The funds are held within the Johnson Fellows Clients Account which is maintained with Barclays Bank plc. Therefore, the service charge is not credited with any interest, neither are any bank charges allocated to the service charge.

Interest charged on the late payment of service charge by tenants is to be credited to the service charge.

Reserve Fund

A Reserve Fund was introduced in 2016. The Reserve Fund is held in a discrete bank account to obtain interest on the retained funds. The balance in the reserve account as of the 1st of January 2025 was £9007.14. £3000 was withdrawn this year to pay towards building repairs. The balance of the account as of the 31st of December is £6226.

Service Charge Objectives

The objective of Johnson Fellows as Managing Agent is to provide a high-quality management service. In so doing we aim to provide a well-maintained environment, delivering value for money for the service charge expenditure.

The objective of this report is to provide a clear explanation of the expenditure incurred to promote clarity and transparency.

Management Team

Facilities Manager:

Robert Scott
Johnson Fellows, 180 Newhall Street, Birmingham, B3 1SJ
Direct Dial: 0121 234 0409
Mobile: 07786 072 755
Email: robert.scott@johnsonfellows.co.uk

Robert Scott is responsible for the repair and maintenance of the property and statutory compliance.

Management Surveyor:

Maria Lazenbury
Johnson Fellows, 180 Newhall Street, Birmingham, B3 1SJ
Direct Dial: 0121 234 0454
Mobile: 07884 352 576
Email: maria.lazenbury@johnsonfellows.co.uk
Maria Lazenbury is responsible for the overall management of the property.

Service Charge Accountant:

Paul Evans
Client Accounts
Johnson Fellows, Charter House, 163 Newhall Street, Birmingham, B3 1SW
Direct Dial: 0121 234 0405
Email: Paul.evans@johnsonfellows.co.uk

Paul Evans is the client accountant responsible for this property.

Service Charge Apportionment

The apportionment is detailed within the Service Charge Apportionment Schedule attached at Appendix A.

The service charge expenditure is contained under a single schedule that all courtyard occupiers contribute towards, reflecting the benefit of the services provided. The occupier of the adjacent land does not contribute towards the service charge.

The apportionment percentages are calculated based on net internal floor areas of the individual units. .

Budget Commentary

All figures are shown net of VAT

- **External Cleaning** **£610.00**

The heading reflects the cost of litter picking, sweeping, weed control and the removal of any fly tipping across the main car park and the rear fire escape routes. Expenditure is under budget this year.

- **Refuse** **£2,589.57**

The cost heading provides for the weekly waste collection contract for the refuse and recycling. Incorporated within the budget is a contribution for Landfill Tax. Expenditure incurred is marginally over budget.

- **Building Repairs** **£8,335.00**

This heading reflects the cost of repairs and maintenance works in respect of the structure and roofs of the buildings together with the car park surface. Expenditure exceeded the budget due to repairs require to the roofs of the buildings. As a result, £3000 of the reserve fund has been utilised towards these essential repairs.

- **Water Charges** **£1301.35**

The cost heading provides for the water charges levied at the estate by South Staffordshire Water Plc for clean water and Waterplus for wastewater (sewage). Tenants are responsible for payment directly to Waterplus for surface water which is assessed on each unit's rateable value.

- **Gritting** **£1348.58**

The gritting provision for this site is operated under a national contract across our managed sites. The current contractor Outco Limited attends site when temperature reach zero degrees having regard to daily MET office reports. Expenditure exceeded the budget this year due the increased frequency of visits required given the weather conditions over the winter months.

- **Health & Safety assessment** **£255.00**

This cost heading was for the provision of an updated Health and Safety Audit.

- **Reserve Fund** **£-3000.00**

This sum represents the sum utilised from the reserve fund to fund essential repairs required to the building's roofs.

- **Interest** **£-42.25.00**

This credit reflects interest paid in respect of late payment of service charge demanded from the estate tenants, the receipt of which is credited to the service charge.

- **Audit Fee** **£350.00**

The RICS Service Charge Code of Practice states that service charge accounts are to be independently certified on an annual basis. This cost covers the fee raised by the accountants for certifying the year end service charge accounts.

- **Management Fee** **£2,216.40**

The figure represents the costs incurred for the management of the property and the administration of the service charge, including periodic inspections. The RICS Service Charge Code of Practice recommends that this be a fixed fee. The fee is increased annually in the Retail Price Index. This expenditure is as per the budget for this year.

- **Facilities Management** **£1,108.20**

The budget covers the Facilities Manager's work in organising and supervising service charge contracts and maintenance works and ensuring legislative compliance. The fee is increased annually in line with the Retail Price Index. This expenditure is in line with this year's budget.

<u>Total</u>

Schedule 1 **£16,056.65**

R. Scott

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Management Surveyor Facilities Manager

Appendix A

Halesowen, Borough Court, Grammar School Lane (02182)

Service Charge Unit Percentages

Recovery Group = sc

Reconciliation Period = 01/01/2025-31/12/2025

*Amounts in gbp

Unit	Tenant	Days	Schedule 1
0001	**Tracey Nicholls & Paul Nicholls**	365.00	21.6200
0002	**Lovetree Design Ltd**	365.00	20.4800
0003	**Tulleys Print Ltd**	365.00	16.9700
0004	**Maisum Renewable Energy Limited**	168.00	3.5579
0004	**DG Admin Limited**	197.00	4.1721
0005	**Brodan Consulting Limited**	365.00	6.2500
0006	**LSK Risk Management Limited**	342.00	7.5708
0006	**Vacant**	23.00	0.5092
0007	**Ann Richards Payroll Services Ltd**	365.00	7.3800
0008	**Ann Richards Payroll Services Ltd**	365.00	11.4900
	Total		**100.0000**

Appendix B

Halesowen, Borough Court, Grammar School Lane (02182)

Service Charge Budget Comparison

Recovery Group = sc

Reconciliation Period = 01/01/2025-31/12/2025

*Amounts in gbp

Code	Description	Actual (12/2025)	Budget (12/2025)
1	**Schedule 1**		
5100-0101	Management Fee	2,216.40	2,216.40
5100-0203	S/C Audit Fees	350.00	350.00
5100-0309	Facilities Manager	1,108.20	1,108.20
5100-0401	Landlords risk assessments, audits	255.00	500.00
5200-0801	Water and sewage charges	1,301.35	1,000.00
5300-1002	External Cleaning	610.00	1,500.00
5300-1009	External Landscaping	985.00	1,000.00
5300-1010	Snow clearance / Gritting	1,348.58	800.00
5300-1014	Refuse collection	2,589.57	2,550.00
5400-1530	Building Repair	8,335.00	4,000.00
5500-1601	Interest	-42.45	0.00
5700-2202	Reserve fund	-3,000.00	1,000.00
	Schedule Total	**16,056.65**	**16,024.60**
	Total	**16,056.65**	**16,024.60**

Pr Trinity Investments Ltd

Borough Court
HALESOWEN

SERVICE COSTS STATEMENT

INDEPENDENT REVIEW

YEAR ENDED 31ST DECEMBER 2025

Halesowen
Certificate of Service Costs for the Year Ended 31st December 2025

	2025	2024
Cleaning	610.00	1,150.00
Refuse	2,589.57	2,192.35
Building Repair	8,335.00	5,419.58
Landscape - External	985.00	1,380.00
Gritting	1,348.58	843.73
Water Charges	1,301.35	(807.71)
Reserve funds	(3,000.00)	1,000.00
Interest	(42.45)	-
Audit Fees	350.00	350.00
Management Fees	2,216.40	2,143.20
Facilities Management	1,108.20	1,071.60
Landlord Risk Assessments	255.00	525.00
Total Expenditure	16,056.65	15,267.75

Reserve fund:	
Balance @ 01.01.25	9,007.14
Paid in during the year	-
Interest in the year	218.86
Withdrawal	3,000.00
Balance @ 31.12.25	6,226.00

Independent Accountant's Review Report

To the Manager, Borough Court

We have reviewed the statement of service charge expenditure for the above property for the year ended 31 December 2025. The statement of service charge expenditure has been prepared by the Manager in accordance with guidance issued by the RICS in the Code of Practice, Services Charges in Commercial Property, 1st edition.

Manager's Responsibility for the Statement of service charge expenditure
The Manager is responsible for the preparation of the statement of service charge expenditure and for such internal control as the Manager determines is necessary to enable the preparation of statements that are free from material misstatement, whether due to fraud or error.

Reporting Accountant's Responsibility
Our responsibility is to express a conclusion on the statement of service charge expenditure based on the procedures we have performed and the evidence we have obtained. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400, Engagements to Review Historical Financial Statements (Revised). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the statement of service charge expenditure, taken as a whole, is not prepared in all material respects in accordance with the provisions of the Code of practice '*Service charges in commercial property*' issued by the RICS. ISRE 4000 (Revised) also requires us to comply with relevant ethical requirements.

A review of a statement of service charge expenditure in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The reporting accountant performs procedures, primarily consisting of making inquiries of management and others responsible for the services that comprise the service charge on this property, as appropriate, and applying analytical procedures, and evaluates the evidence obtained. The procedures do not include review of the allocation or apportionment of service charge expenditure to occupiers.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the statement of service charge expenditure.

Conclusion
Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the statement of service charge expenditure is not prepared, in all material respects, in accordance with the provisions of the Code of practice 'Service charges in commercial property' issued by the RICS.

Basis of Accounting and Restriction on Distribution and Use
Our report is made in accordance with the terms of our engagement and is intended solely for the Manager to issue to current occupiers. This report should not be distributed to or used by other parties. Our work has been undertaken to enable us to make this report to the Manager and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than the Manager in connection with the report or this engagement.

TC Group

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